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SUBJECT: UNSCO AND UNRWA DESCRIBE CONTRADICTIONS IN GAZA
POLICY TO AMBASSADOR SUSAN RICE

Classified By: Consul General Daniel Rubinstein for reasons 1.4 (b,d).

11. (C) Summary. In an October 22 meeting with USUN Ambassador Susan Rice, UN Special Coordinator for the Middle East Peace Process (UNSCO) Robert Serry and UN Relief and Works Agency (UNRWA) Director for Gaza John Ging emphasized the need to restart essential infrastructure projects in Gaza, including shelters and schools. As a result of the Israeli "blockade," both Serry and Ging noted that Hamas now controls Gaza's tunnel-driven economy, increasing people's dependency on Hamas. Ging described a population in Gaza suffering from massive physical devastation. He pointed out that while Hamas has all the cement it needs to build a new checkpoint near Erez, the UN cannot get the cement it needs to build a single school. Serry stressed the need for a new strategy on Gaza, suggesting that the current policy has only strengthened Hamas' position. End Summary.

UN Project Proposal on Gaza

12. (C) UNSCO Robert Serry emphasized that the situation in Gaza is "unsustainable," and said that a coherent Gaza strategy is badly needed. He described the UN proposal to address some of the most critical infrastructure gaps in Gaza; the proposal's first phase includes projects suspended in 2007 focusing on shelter and school reconstruction that could be completed within six months. UN Secretary General Ban Ki Moon communicated the proposal to Israeli Defense Minister Barak, but "it has gone nowhere," Serry said. Serry reported that UNSCO staff have had numerous conversations with the GOI on UN monitoring procedures and end-use assurances. He is confident that Hamas could not divert materials intended for UN projects. Serry stated that 75 percent of Gazans are dependent on UN assistance; if Hamas interfered, the UN would pull out and the people of Gaza would suffer, he said.

Gazans Are Misunderstood

¶3. (C) UNRWA/Gaza Director John Ging highlighted UNRWA's focus on educating Gaza's youth in an effort to stem the impact of the conflict on the next Palestinian generation. Compared with the adult population, who, Ging said, grew up working and trading with Israel, the youth have grown up isolated. He asserted that the people of Gaza are often mischaracterized as Hamas supporters. In fact, one-half of the population are under the age of 20 and did not vote in the 2005 elections, and one-half of the adults voted for Fatah, not Hamas. Most Gazans, Ging said, do not support Hamas' political or religious agenda. However, the current circumstances are creating a new reality on the ground in Gaza that needs to be arrested. Ging pointed to the success of UNRWA's "Summer Games" as an example of resounding public

support for UNRWA and against Hamas' social agenda, as the games are secular and allow girls and boys to play sports together.

¶4. (C) Ambassador Rice asked Ging to elaborate on what one would see inside Gaza today. Ging replied that one would be struck first by the scale of the physical devastation. Ging said that the American International School of Gaza, which Palestinian militants had twice unsuccessfully targeted, was leveled by the IDF in a matter of minutes. The IDF, he said, destroyed Gaza's factories using bulldozers in the last three days of the war; the owners of these businesses were Israel's associates and friends and had been trading with Israeli businessmen for decades, Ging asserted. The second thing one would be struck by upon entering Gaza, Ging said, is the fact that Gazans are not expressing hatred or vitriol against the Israeli people. Gazans distinguish between IDF actions and the Israeli people. "Gazans are stuck in a prison, but are refusing to act like prisoners," he said.

Current Gaza Policy Is Counterproductive

15. (C) Ging stated that "all is not lost, but the 'hostile entity' declaration (by the Israeli Cabinet in September 2007) will become self-fulfilling if we don't turn it around." Gazans are now dependent on Hamas for work due to economic stagnation and the rise of the tunnel economy. With 1,500 tunnels openly operating between Gaza and Egypt, he said, Hamas is able to acquire any materials it needs. For example, Hamas is building a checkpoint within binocular sight of the Erez checkpoint with bags of cement and iron

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bars. Meanwhile, Ging said, he is unable to acquire cement to build a single school. UNRWA would work with contractors who are well known to, and cleared by, the GOI to implement reconstruction projects, he added.

- 16. (C) Serry stressed that this is why a Gaza strategy is needed -- "we must enable economic recovery by working with the private sector." Serry expressed hope that the GOI will soon respond with some easing of access, since winter is approaching. Israel, he said, "will look very bad" if Gazans continue to live without windows or underneath collapsed structures. He noted that the Israeli Coordinator for Government Activities in the Territories had approached him that same day about permitting glass for windows into Gaza. Serry said that from the beginning, UNSCO has worked closely with PM Fayyad, and the UN has the PA's full support for its initiatives in Gaza.
- 17. (C) Israel's decision to ease access into Gaza, Serry noted, should be done in a way that gives the PA credit. If it is done instead in response to the release of captured IDF soldier Gilad Shalit, the credit will go to Hamas. Serry asked the USG to consider the UN as part of the solution in Gaza once there is a strategy. The UN relationship with Israel, he noted, is difficult, and the Goldstone report did not make it easier. If Shalit is released, Serry said he wants the UN to be a part of the release in order to prove the value of the UN to the Israeli people.

Hamas' Position in Gaza is Strong

18. (C) Ging said that Hamas leaders in Gaza are "very relaxed," getting stronger and richer every day as a result of the blockade. From "day two" after December 2008-January 2009 IDF combat operations against Hamas in Gaza ended, weapons were coming in, Ging added. Serry reported that UNSCO maintains contact with Hamas "out of necessity." In their contact, Serry said, Hamas has shown no readiness to end the conflict with Israel. The Hamas leadership's demands remain: a Palestinian state on the 1967 borders with a full release of prisoners, a return of all refugees to their homes

in Israel, and approval of a peace agreement by referendum.

- 19. (C) Serry said Hamas is presenting itself as a moderate alternative to militant Sunni Islamists and, in doing so, strengthening its claim of leading the Palestinian national movement. Serry believes that as long as there are no serious negotiations, Hamas is under no real pressure to make compromises. Negotiations would force them to choose whether to join the process or not, he added.
- 110. (C) Serry noted that Hamas leaders in Gaza are very interested to hear about developments in the U.S. Administration and Quartet principals. UNSCO Political Advisor Robert Dann said that on some level, Hamas is a reliable interlocutor, but they are very passive. Dann stated that Hamas leaders do not believe there is a living Israeli politician who would end the occupation.
- 111. (U) Ambassador Rice cleared this cable.

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